

## **CHAPTER 9. BUSINESS TRAVEL**

### **BUSINESS CUSTOMS**

Business relationships in Thailand are not as formal as those found in Japan, China, Korea or the Middle East, but neither are they as relaxed and impersonal as is common in the West. Many business relationships have their foundations in personal relationships developed within the social circles of family, friends, classmates and office colleagues. Although Thailand is a relatively open and friendly society, it is advisable to approach potential business contacts with a prior introduction or personal reference. Thais will be more receptive if you arrive with an introduction or letter from a known government official or business contact. Using the Commercial Service's Gold Key Program is also an effective way to gain access to the Thai business community.

The Thai cultural values of patience, respect for status (age, authority, etc.) and not losing face, are significant factors in business relationships as well. Thais feel great pride for their country and have deep respect for tradition. Sometimes, however, observance of traditional formalities may seem inconsistent to the tolerant, relaxed nature of living in Thailand. This can be confusing or frustrating to Westerners who are more informal and more time conscious.

Respect for, and consideration of, one's elders, superiors and patrons is deeply rooted in the Thai cultural and social environments. Thais are very reluctant to hurt the feelings of others or to cause them any dissatisfaction. Losing one's composure is losing face and losing respect in Thailand. Therefore, it can be difficult for Westerners to be sure they have received accurate and complete answers to questions, or that they have solicited frank and open opinions. (Source: Thailand Business Basics, Standard Chartered Bank.)

The revelation of what Westerners regard as rampant graft, corruption, and favoritism as an integral part of Thai business and political practice, and the recognition of the great cost to society these actions have caused in the wake of the financial crisis, is causing many Thais to openly criticize, for the first time, the behavior of the privileged and powerful. Previously referred to euphemistically as “the Thai way,” such favoritism was not necessarily tolerated, but not directly challenged. The new economic and social era in the making holds promise of also being fairer and more transparent.

U.S. business travelers are encouraged to obtain a copy of the “Key Officers of Foreign Service Posts: Guide for Business Representatives” available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; Tel. (202) 512-1800; Fax (202) 512-2250. Business travelers to Thailand seeking appointments with US Embassy Bangkok Officials should contact the U.S. Commercial Section in advance by telephone at (662) 205-5090, Fax at (662) 255-2915/662-205-5914, or e-mail at [bangkok.office.box@mail.doc.gov](mailto:bangkok.office.box@mail.doc.gov).

**ETIQUETTE**

- “Khun” is the Thai form of address for Mr., Mrs., and Ms.
- The “wai” is a traditional gesture of greeting and respect in Thailand. Practice by placing your palms together in a prayer-like position.
- Business cards are an indispensable part of making business contacts in Thailand. Bring lots of your own as a general form of introduction.
- Remove shoes before entering a home or temple.
- Touching someone on the head or pointing your feet to anything is considered by Thais to be very rude.
- Thais hold the Royal Family in the highest esteem and you are also expected to do so.

**TRAVEL ADVISORY AND VISAS**

Americans may register on-line with U.S. Embassy Bangkok to obtain updated information on travel and security within Thailand by visiting the U.S. Embassy’s website at [www.usa.co.th](http://www.usa.co.th)

U.S. citizens carrying diplomatic, official or tourist passports do not require a visa for a visit of up to 30 days when arriving at the international airport in Bangkok, Phuket, Hat Yai or Chiang Mai, if the individual is in possession of an onward/return airline ticket. This airport permit to stay may, for a fee, be extended twice for a period up to 90 days. However, if an individual will remain in the country for more than 30 days, it is recommended that he/she obtain the appropriate visa at a Thai Embassy or Consulate prior to arrival.

For stays of up to 90 days a visa is required, the fee for a Tourist visa \$15.00 per entry; for non-immigrant visa \$20.00 per entry and \$40.00 per multiple entries and transit visas are \$10.00 per entry.

**VISA TYPES AND PURPOSE OF VISIT:****NON-IMMIGRANT VISA**

**Purpose of visit:** BUSINESS, CONFERENCE, RESEARCH, TEACHING, MASS MEDIA or MISSIONARY (requiring letter from your government, agency or organization sending you on your mission or from your counterpart in Thailand). EDUCATION (requiring letter from educational institution in Thailand). FAMILY REUNION (requiring marriage or birth certificates). SETTLEMENT AFTER RETIREMENT (requiring proof of retirement and financial support). MEDICAL TREATMENT (requiring letter from licensed doctor). The maximum stay is 90 days. However, you may apply for an extension of stay while in Thailand.

**TOURIST VISA**

**Purpose of visit:** for tourism only.

(Maximum stay 60 days; you may apply for an extension of stay while in Thailand)

**TRANSIT VISA**

**Purpose of visit:** TRANSIT (requiring proof of confirmed onward ticket to a third country). SPORTS or CREW (requiring letter from organization concerned).

(Maximum stay is 30 days; you may apply for an extension of stay while in Thailand)

For more information travelers may contact the Royal Thai Embassy, Visa Section, Suite 101, 1024 Wisconsin Ave., N.W. Washington, D.C. 20007 Tel. (202) 944-3600 Ext. 767 Fax. (202) 944-3611 e-mail: [consular@thaiembdc.org](mailto:consular@thaiembdc.org). **Office Hours:** Monday-Friday 9:00 a.m. – 1:00 p.m. and 2:30-4:00 p.m. (Walk-in Services: 9:00 a.m. – 1:00 p.m. only) U.S. Eastern Standard Time. Closed on Thai and U.S. Official Holidays.

**HOLIDAYS:**

During the calendar year 2002, the following are the commercial holidays on which most business and government offices in Thailand will be closed. The following schedule is for 2002:

|             |  |
|-------------|--|
| January 1   | New Year's Day                                       |
| February 26 | Magha Puja Day                                       |
| April 8     | Substitute day for King Rama I Memorial & Chakri Day |
| April 15    | Songkran Day   |
| April 16    | Songkran Day   |
| May 6       | Coronation Day                                       |
| August 12   | H.M. the Queen's Birthday                            |
| October 23  | Chulalongkorn Day                                    |
| December 5  | His Majesty the King's Birthday and National Day     |
| December 10 | Constitution Day                                     |
| December 31 | New Year's Eve                                       |

In addition to the above dates, the American Embassy, as well as many other U.S. offices in Thailand, will observe the following holidays:

|             |                                  |
|-------------|----------------------------------|
| January 21  | Martin Luther King, Jr. Birthday |
| February 18 | President's Day                  |
| May 27      | Memorial Day                     |
| July 4      | Independence Day                 |
| September 2 | Labor Day                        |
| October 14  | Columbus Day                     |
| November 11 | Veterans Day                     |
| November 28 | Thanksgiving Day                 |
| December 25 | Christmas Day                    |

**WORK WEEK:**

The common professional workweek in Thailand is 40 hours per week consisting of five, 8-hour days, Monday through Friday. Office hours in Bangkok vary to accommodate flextime travel through the city's notoriously heavy traffic. Common office hours are 8:00 a.m. to 5:00 p.m. Most business offices are closed on Saturdays and Sundays although most commercial establishments remain open. The U.S. Commercial Service Bangkok's hours are 7:00 a.m. - 4:00 p.m., Monday through Friday. The Commercial Library is open from 8:00 a.m. to 4:00 p.m. The office is closed during lunch from 12:00 noon to 1:00 p.m.

**BUSINESS INFRASTRUCTURE****TRANSPORTATION**

The business traveler has access to a range of ground transportation in Bangkok and major cities. Metered taxis are common and most hotels offer limousine services. Chauffeured cars can be rented for extended stays. The BMTA sky train began operation in December 1999 providing services for commuters in two of Bangkok's most congested business districts, Silom and Sukhumvit. Rates vary; depending on zone and distance but the BTS is an excellent alternative to the long traffic jams, if your destination is within the areas serviced by the system.

Public transportation in the form of inter-city air-conditioned buses, and regular buses serve the general population and vary in comfort and efficiency. Inter-city rail service ranges from comfortable and efficient to primitive. The State Railway of Thailand operates 3,800 kms of rail tracks with 623 destinations and four main routes: Bangkok-north to Chiang Mai; northeast to Nongkhai and Ubon Rajathani; east to Prachinburi; and, south to the Thai-Malaysian border.

Thailand's road system compares favorably with that of other developing countries in the region. In fact, road transportation is considered Thailand's key transportation mode for goods and passengers. Major inter-city links are being expanded into 4 or more lane highways. Transport of goods and passenger services by rail, sea, air and road generally is good. Rural roads are being improved.

Thailand has coastlines on the Gulf of Thailand and on the Andaman Sea with 58 sea channels, 40 operational seaports and 90 fishing trawler piers. Out of 6,000 kilometers of navigable inland waterways, 1,750 kilometers can be used as transportation routes for bulk cargo. Thailand offers the advantages of low-priced handling, cheap labor and inexpensive storage costs.

Thailand currently has five international airports: Bangkok International Airport, Chiang Mai International Airport, Chiang Rai International Airport, Hat Yai International Airport, and Phuket International Airport. Thailand also has 28 airports that service domestic flights. Bangkok International Airport (BIA), which is located just north of

Bangkok, serves as Thailand's main gateway for air transportation. Handling 27 million passengers per year, the Bangkok International Airport will reach its handling capacity by 2003. Development of the New Bangkok International Airport (NBIA) is underway. NBIA will serve as the country's primary international airport and aviation hub with a passenger capacity of 30 million per year. NBIA is scheduled to open in 2004.

## **LANGUAGE**

Thai is the national language. English is the next most commonly spoken language, and is especially prevalent among the business community in Bangkok. (There are four distinct language dialects in Thailand, with the Central Thai dialect being the first language of 75 percent of the population.) Many Sino-Thai also speak Chinese. Because of the large number of Japanese subsidiary companies in Thailand, Japanese is also common in the business community.

## **BANKING SERVICES**

A good range of commercial banking services is available in Thailand for both business and retail customers. Deposit accounts, lending facilities, foreign exchange, import/export facilities and other products and services such as credit cards, debit cards and automatic teller machines (ATM) are offered. Foreign banks have joined the local ATM network, thus enabling their customers to use their overseas bank ATM card at any ATM within the domestic network. There are approximately 5,000 ATM's in Thailand, with older machines being replaced by newer ones. Some limitations, such as on mortgage lending to foreigners, do exist, reflecting restrictions on foreign ownership of property.

## **COMMUNICATIONS**

Communications for the business traveler in Bangkok and major cities is efficient, with worldwide access for voice, fax and data with international direct dialing. Cellular phones are very common and can be rented for short stays. A foreign cellular phone will generally not work in Thailand, unless it is of the newer global G.P.S. phones. In rural or remote areas cell coverage is spotty and only first class hotels have reliable land coverage.

Thailand is a member of the International Telecommunications Satellite Consortium, and maintains 2 ground stations connected to satellites over the Pacific and Indian oceans to provide convenient radio communication services. On December 17, 1992, THAICOM, the first Thai national satellite, was launched into orbit followed by THAICOM 2 on October 8, 1994, and THAICOM 3 on April 16, 1997.

Thailand is served by the major international cable television channels including CNN, BBC, CNBC, ABN, Star TV, HBO, etc. which are widely available in hotels, residences and other public facilities.

Thailand's economic plunge in 1997 caused a sharp decline in the demand for telecommunications services that included landline telephone, cellular phone, radio communications, paging, and VSAT services. Consequently, planned investments in the expansion of 6 million landline telephones and cellular phones in the radio frequency ranges of 1500 and 1900-megahertz have been deferred. However, the installation of rural public long distance telephone lines and the installation of submarine fiber optic cable were not affected by the economic crisis.

For a landline telephone, the installation fee is US\$103, the required deposit is \$84, the monthly service fee is \$2.80, and the flat rate for a local call is \$0.08. For a cellular phone, handset prices range from US\$300 to \$1,000, the mandatory deposit is \$84, the connection fee is \$36, the monthly service fee is \$14, and local cellular calls cost \$0.08 per minute.

For electronic communications, Thailand provides three main solutions for temporary Internet access. First, purchasing an Internet package from a local ISP in prepaid amounts for anywhere from 10 to 50 hours. Second, cyber-café's, which are located throughout Bangkok and in major provinces. Third, Internet access provided in high-end hotels catering to business travelers. Internet access and high-speed Internet service has been provided while wireless Internet connectivity will soon be offered in luxury hotel rooms.

## **UTILITIES**

The electrical current in Thailand is 220 volts. Business travelers should bring converters and surge protectors but they are also available on the local market.

Water quality ranges widely. Many Thai people drink bottled water which is inexpensive and readily available. In Bangkok and major cities, tap water is safe enough for bathing. Water is priced from \$0.15 to \$0.43 per cubic meter in accordance with the usage.

## **HEALTH**

Excellent medical treatment is available in Bangkok, with good to adequate treatment available throughout the country. While the general level of health and nutrition is good, some tropical diseases are a problem. Hepatitis is endemic. The incidence of AIDS has leveled off due to educational awareness campaigns by the Royal Thai Government. However, Thailand is still considered a high-risk country, especially among prostitutes and intravenous drug users. Japanese encephalitis and malaria are a problem in rural border areas, but generally not in Bangkok, major cities, or major tourist destinations. Dengue fever outbreaks occur periodically throughout the country. Rabies is also a risk to consider due to the large number of abandoned animals roaming the streets.

Doctors and hospitals often expect immediate cash payment for services, and U.S. medical insurance is not always valid outside the United States. Many hospitals in Bangkok and other major cities will accept standard credit cards. For additional useful health information, contact the International Travelers' Hotline at the Center of Disease Control at 404-332-4559.

## **FOOD**

Eating is an important part of the Thai group-oriented culture. Thai food has become internationally popular because of its sophistication and variety. The staples of this cuisine include rice, noodles, vegetables, meats, fish, spices and chilies. Thai food can be enjoyed in a wide variety of venues, from street-side kiosks to elegant world-class restaurants. In addition, all other international cuisines are available in the major cities and resort areas ranging from European fine dining, to other Oriental and ethnic restaurants, to American fast food.

## **ACCOMMODATIONS**

Thailand offers various types of accommodations to travelers - from five star international hotels, to serviced apartments, to moderate, comfortable business hotels, to modest but safe, clean guesthouses. Establishments catering to business clientele usually offer full-service business centers with international communications. The economic downturn, and overbuilding of hotels, means that Bangkok is offering some of the best accommodation bargains in the world, and Thailand is vying actively for business and leisure travel and convention business.

Ample western style residential apartments and houses are available for foreign residents. The construction of high-rise condominium projects in the past few years has increased available quality accommodation in the Bangkok metropolitan area and other major cities. Foreign business visitors are increasingly utilizing full-service residential apartments for short-term stays in Bangkok. The supply of these facilities, including some operated by American firms, has increased markedly in recent years.

## **TEMPORARY ENTRY OF GOODS**

Thai Customs Department policy and procedures on temporary entry of goods for business practices and exhibitions are described below. For further information, please contact Bangkok International Airport Customs House tel: (662) 535-1550, Public Relations Sub-Division, Customs Department tel: (662) 249-9017, 249-3298; Customs Department web site: [www.customs.go.th](http://www.customs.go.th) or the Commercial Service Bangkok tel: (662) 205-5090.

## **GOODS FOR BUSINESS PRACTICE**

**Laptop Computers:** The Thai Customs Department considers laptop computers as reasonable personal effects and not dutiable, restricted or prohibited goods. If

travelers carry laptop computers for use while visiting Thailand, they should check the “Nothing to Declare” box on the customs declaration form and submit the form at the Green channel. However, each traveler should carry only one laptop at a time and should be prepared to prove at a Customs random inspection that the computer is a personal belonging or for use while doing business in Thailand, and not for re-sale.

**Computer Software:** Unwrapped computer diskettes and CD-ROMs for use while visiting Thailand are not dutiable. Check the “Nothing to Declare” box on the customs declaration form and submit the form at the Green channel.

## **EXHIBIT MATERIALS**

There are 2 choices of Customs procedures for entering exhibit materials exempted from duty payment into Thailand.

1. Bonded Guarantee (A.T.A.Carnet): A.T.A. Carnet is an international system that provides bonded guarantees on goods imported temporarily. Its purpose is to facilitate customs procedures for temporary import-export of goods which are exempt from payment of duty without prohibited and restricted conditions. All member states accept and provide this service under their own laws and regulations.

The Thai Customs Department recommends exhibit materials enter into Thailand through a carnet as it cuts down the required Customs procedures. The guarantee issuer and guarantor must be approved by the Customs Department and be a member of the international guarantee issuer organization such as a U.S. Trade Association or Chamber of Commerce. The guarantee issuer organization can issue a letter of guarantee to exporters in which they agree to pay duty if carnet conditions are not followed.

An importer can use the letter of guarantee as a substitute to the import entry form and the payment guarantee. The importer must complete the carnet import/re-export document and submit it to Customs officers at Thailand’s port of entry. The Customs officers will inspect the goods, keep a copy of the import entry form and return the carnet book to the importer. If the goods are not taken out within the period of time stated in the contract, the guarantor will have to pay duty, a 10 percent penalty, and any applicable fees. For further information, please contact the Privilege Goods and Investment Promotion Sub-Division tel: (662) 249-4150, fax: (662) 249-4212.

2. Imported goods for exhibitions in Thailand: Exhibit materials apply to goods which are imported for public exhibition and goods on which the importer has placed a bonded guarantee and will be re-exported within a certain period of time. Goods used up in an exhibition such as printed documents, advertised articles, and distributed materials are not duty exempted items. The process for temporary importation of exhibit materials into Thailand is as follows:



- The importer must provide detailed information on the exhibition including the host, venue, period of time, reasons for importation, and goods category to the Customs Department for temporary import permission;
- The importer must submit a duty-exempted application with certification of the exhibition, an import entry form with documents such as invoice, Airway bill, and packing list and a permission form for import of restricted goods. The importer signs for the materials, states the period of temporary entry (must be under 6 months), and places a cash deposit or Bank's guarantee for the following total (duty + 140 percent + VAT);
- Customs officers will inspect the goods and return a copy of the special Import Entry Form to the controller of the goods to be presented on the way of taking the goods out of Thailand. The controller may appoint a local firm, as an importer, to deliver the material from the port of entry to the exhibition site;
- When taking the materials out of the country, the controller shall present a copy of the special Import Entry Form to the Customs officers and shall withdraw the guarantee contract. If the importer has shown intention of not taking the goods out of the country within the period of time stated in the contract, the guarantee contract will be enforced;
- Regarding contract extensions, the importer can request an extension of 6 months from the date of entry. To receive this extension, the importer must submit an application to the Customs House or to the Laws and Regulations Division, Customs Department for approval.